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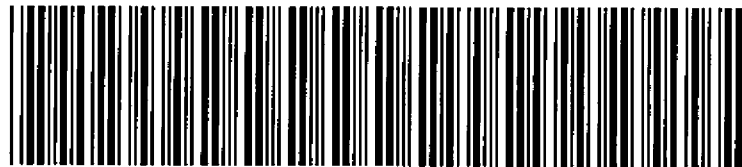
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February 7, 2013

Tim Campagna
President
American School of Technology
2100 Morse Center, Building 4599
Columbus, OH 43229-6692

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7012 1640 0000 0567 6449

RE: Expedited Final Program Review Determination Letter
OPE ID: 02311200
PRCN: 2013-2-05-28168

Dear Mr. Campagna:

From January 14 through January 18, 2013, Mr. Nicholas Koulermos, Ms. Ola Ross, and Mr. William Johnson conducted a review of American School of Technology's (AST) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to determine AST's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of AST's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2011-2012 and 2012-2013 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year.

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning AST's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve AST of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

The Chicago/Denver School Participation Team has made a Final Program Review Determination concerning the findings that were identified during the program review. Following is a discussion of the findings identified and the resolution of those findings.

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Chicago/Denver School Participation Division
500 W. Madison, Chicago, IL 60661
StudentAid.gov

Program Findings and Final Program Review Determinations:

Finding 1: Return of Title IV Funds Made Late

Citation: Under 34 C.F.R. § 668.22 of the Student Assistance General Provisions regulations, if a Title IV recipient withdraws from an institution during a payment period or period of enrollment for which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the student's withdrawal date. The institution must also return the amount of the refund allocated to the Title IV programs to the appropriate program accounts within 45 days of the date that the student officially withdrew, was expelled or the institution determined that the student had unofficially withdrawn, or failed to return from a leave of absence. An institution that fails to make refunds in a timely manner demonstrates a lack of administrative capability.

Institutional Action Taken to Resolve Noncompliance: During the Heightened Cash Monitoring 2 (HCM2) process, AST disbursed funds to one withdrawn student (student #19) that instead should have been receiving a Post Withdrawal Disbursement. Although the institution returned the funds to the Department on their next HCM2 claim, the return was considered late because it was beyond the allowable 45 day timeframe. All funds were repaid to the Department.

Final Program Review Determination: AST has taken the corrective actions necessary to resolve this finding. The late return of funds did not result in any questioned cost for the institution. However, AST is liable to the Department for the cost of funds interest on the improperly retained funds. Since the combined total is under the minimal threshold, there are no liabilities and no repayment to the Department is necessary at this time. AST is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, HEA funds. The institution is directed to review the above-cited regulations to ensure strict compliance with the requirements thereof. AST is required to implement procedures or enhance current procedures in accordance with the auditor's recommendation to bring the institution into compliance with federal regulations to ensure that this finding does not recur.

Finding 2: Ineligible Pell Disbursement

Citation: 34 C.F.R. § 668.16 states that to continue participation in any Title IV, HEA program, an institution must demonstrate that it is capable of adequately administering that program under standards established by the Secretary. The Secretary considers an institution to have that administrative capability if it establishes and maintains student financial records required under Section 668.23 and the individual Title IV, HEA program regulations, and if it performs other functions, including the following:

- Communicates all information received by any institutional office that bears on a student's eligibility for Title IV, HEA assistance to the individual designated to be responsible for administering the Title IV programs.

- Develops and applies an adequate system to identify and resolve discrepancies in the information it receives from different sources with respect to a student's application for Title IV financial aid.

34 C.F.R. § 690.6 states a student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study.

34 C.F.R. § 668.32(b) states a student is eligible to receive Title IV, HEA program assistance if the student for purposes of the Federal Pell Grant Program (A) does not have a baccalaureate or first professional degree; or (B) is enrolled in a post-baccalaureate teacher certificate or licensing program; and is not incarcerated in a Federal or State penal institution.

Institutional Action Taken to Resolve Noncompliance: During the review process, a file was reviewed that indicated student #1 had received a bachelor's degree from the University of Mosul in Iraq. At the time of enrollment, AST believed that the degree was not equivalent to a bachelor's degree in the United States, and therefore awarded student #1 full undergraduate eligibility. In the student's file, there was no documentation asserting the rationale or reason behind the assumption that the degree was not equivalent. Until otherwise researched, an institution should treat a foreign degree as equivalent. As a result, the institution awarded a total of \$6,244.00 in Pell to the student. The Pell disbursement is considered to be ineligible by the Department. After discussion with AST following the review, the institution returned the full \$6,244.00 to the Department, thereby resolving the finding and any liabilities owed to the Department.

Final Program Review Determination: AST has taken the corrective actions necessary to resolve this finding. AST promptly returned the full \$6,244.00 to the Department following the program review. However, AST is liable to the Department for the cost of funds interest on the improperly retained funds. Since the combined total is under the minimal threshold, there are no liabilities and no repayment to the Department is necessary at this time. AST is reminded that its fiduciary responsibilities obligate it to the highest standard of care and diligence in administering and accounting for Title IV, HEA funds. The institution is directed to review the above-cited regulations to ensure strict compliance with the requirements thereof. AST is required to implement procedures or enhance current procedures in accordance with the auditor's recommendation to bring the institution into compliance with federal regulations to ensure that this finding does not recur.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Mr. Nicholas Koulermos at (312) 730-1693.

Sincerely,

(b)(6)

Douglas Parrott
Director

cc: Melissa Howell, Financial Aid Director
Accrediting Commission of Career Schools and Colleges
Ohio State Board of Career Colleges and Schools

Appendix A: Student Sample

2011-12

#	Last 4 SSN	LAST NAME	FIRST NAME
(b)(6); (b)(7)(C)			

DC

Checklist – PRR / EDL Review

(b)(7)(E)